

AMENDED IN ASSEMBLY APRIL 19, 2007

AMENDED IN ASSEMBLY APRIL 11, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1159

Introduced by Assembly Member Richardson

February 23, 2007

An act relating to state funds.

LEGISLATIVE COUNSEL'S DIGEST

AB 1159, as amended, Richardson. State funds: fiscal review.

Existing law sets forth the duties of the Department of Finance in overseeing the financial activities of state agencies generally.

Existing law authorizes various state agencies to impose and collect fees to cover the costs of performing certain services.

This bill would require the Department of Finance to ~~prepare and submit to the Legislative Analyst a list of all funds into which are deposited the fees collected by state departments and agencies with statutory authority to charge fees to cover the cost of services they provide. The bill would require each state department and agency to provide and submit a report regarding those fees to the Legislative Analyst, and specified state agencies and departments the fees identified in Schedule 8 of Appendix 14 of the Governor's Budget Summary 2007–08 that are remitted to the General Fund. This bill would require these specified state agencies and departments to conduct and report upon a time and motion study for each service for which it charges a fee, no later than July 30, 2008.~~ The bill would require the Legislative Analyst to ~~analyze the reports and submit the analysis and any recommendations to the Department of Finance and specified legislative~~

~~entities; these specific fees and the results of the time and motion studies to determine whether the fees charged for services covers the cost to the state for providing each service, and report its findings to the Joint Legislative Budget Committee no later than February 1, 2009.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares as follows:

2 (1) The state budget has experienced several years of deficits,
3 reflecting a structural deficit of at least \$5 billion.

4 ~~(2) There does not exist a comprehensive list of special funds~~
5 ~~for all state departments and agencies authorized to collect fees~~
6 ~~for state services, including regulatory fees.~~

7 ~~(3)~~

8 (2) Given the state's continuing funding crisis, there is a need
9 to conduct a comprehensive analysis of ~~these special funds fees,~~
10 *including regulatory fees, identified in Schedule 8 of Appendix 14*
11 *of the Governor's Budget Summary 2007-08 that are remitted to*
12 *the General Fund* to determine whether state departments and
13 agencies are properly collecting the amount required or have
14 adjusted their costs to reflect actual expenses, and to identify
15 needed changes to comply with relevant statutory requirements.

16 (b) This act shall be known and may be cited as the State Special
17 Fund Fiscal Review Act of 2008.

18 ~~SEC. 2. (a) No later than February 1, 2008, the Department~~
19 ~~of Finance shall prepare and submit to the Legislative Analyst a~~
20 ~~list of all funds and accounts into which each state department and~~
21 ~~agency deposits the fees it collects, including, but not limited to,~~
22 ~~regulatory fees and fees to cover the costs of services provided.~~

23 ~~(b) (1) No later than March 1, 2008, each state department and~~
24 ~~agency identified in the list created under subdivision (a) shall~~
25 ~~prepare and submit to the Department of Finance and the Office~~
26 ~~of the Legislative Analyst a report that identifies all of the~~
27 ~~following:~~

28 ~~(A) The fund or funds into which each kind of fee is deposited,~~
29 ~~the statutory authority pursuant to which it collects each kind of~~
30 ~~fee, and the service covered by each fee.~~

1 ~~(B) The amount of the fee charged per individual or entity during~~
2 ~~the first fiscal year that the fee was charged, and the amount of the~~
3 ~~fee charged for the last two fiscal years immediately preceding the~~
4 ~~date of the report. The report shall clearly show the difference~~
5 ~~between the amounts of the fees charged over these time periods,~~
6 ~~if any.~~

7 ~~(C) The total cost of the service for which any fee was charged~~
8 ~~during the 2006–07 fiscal year.~~

9 ~~(D) The total amount of fees collected pursuant to statutory~~
10 ~~authority during the 2006–07 fiscal year.~~

11 ~~(2) Notice of the requirements of this section shall be provided~~
12 ~~by the Department of Finance to each state department and agency~~
13 ~~subject to its provisions no later than January 15, 2008.~~

14 ~~(c) (1) The Legislative Analyst shall analyze reports provided~~
15 ~~pursuant to subdivision (b) and identify any shortages between~~
16 ~~revenues and expenses and whether reported costs are accurately~~
17 ~~identified.~~

18 ~~(2) The Legislative Analyst shall submit an analysis, along with~~
19 ~~any recommendations, including any recommendations necessary~~
20 ~~to comply with relevant statutory authority, to the Department of~~
21 ~~Finance, the budget committee of each house of the Legislature,~~
22 ~~and the Joint Legislative Budget Committee, no later than May~~
23 ~~30, 2008.~~

24 *SEC. 2. (a) No later than January 30, 2008, the Department*
25 *of Finance shall do all of the following:*

26 *(1) Provide the Legislative Analyst with a list of the fees,*
27 *including regulatory fees, identified in Schedule 8 of Appendix 14*
28 *of the Governor's Budget Summary 2007–08 that are remitted to*
29 *the General Fund, and of each state agency and department that*
30 *collects these fees.*

31 *(2) Provide the director or head of each state agency and*
32 *department identified as collecting any fees with a copy of the list*
33 *created under paragraph (1).*

34 *(b) Each state agency or department identified as collecting*
35 *any fees in the list created under paragraph (1) of subdivision (a)*
36 *shall conduct a time and motion study for each service for which*
37 *it charges a fee, and shall submit to the Department of Finance*
38 *and Legislative Analyst, no later than July 30, 2008, the results*
39 *of each time and motion study.*

1 (c) *The Legislative Analyst shall study the fees included in the*
2 *list created under paragraph (1) of subdivision (a) and compare*
3 *the results of the time and motion studies performed pursuant to*
4 *subdivision (b) to determine whether the fees charged for each*
5 *service covers the cost to the state for providing each service. The*
6 *Legislative Analyst shall provide a complete report of its study to*
7 *the Joint Legislative Budget Committee no later than February 1,*
8 *2009.*